

Message Text

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TAGS: OEXC, OVIP, BEXP, HU

SUBJ: EMBASSY'S PROPOSED FOLLOW-UP TO EXECUTIVE TRADE
MISSION; PROPOSED INVITATION TO CSIKOS-NAGY
AND HUNGARIAN MINISTERS

REF: A) STATE 132554

B) BUDAPEST 1206

C) STATE 148785

1. ACTION REQUESTED: THAT AS FOLLOW-UP TO ZARB MISSION
DEPT INITIATE FOL STEPS:

A. AUTHORIZE INVITATION TO HEAD OF MATERIAL AND
PRICE CONTROL OFFICE CSIKOS-NAGY TO VISIT U.S. IN FALL
OR WINTER, TO BE EXTENDED THROUGH EMB, FROM OMB, CEA
OR COST OF LIVING COUNCIL OFFICIALS.

B. EXTEND INVITATION BY SEPT FROM APPROPRIATE
CABINET OFFICER TO MIN OF FOREIGN TRADE BIRO, HEAVY
INDUSTRY MINISTER SZEKER TO VISIT U.S. IN FALL.

C. ENCOURAGE SECRETARY OF AGRICULTURE BUTZ TO
VISIT HUNGARY THIS YEAR IN RESPONSE TO LONG STANDING
HUNGARIAN INVITATION.

D. INVITE GOH TO SEND RETURN HIGH-LEVEL TRADE
MISSION IN CONJUNCTION WITH MINISTERIAL VISIT.

E. IF POSSIBLE TIE IN MINISTERIAL VISIT AND TRADE
MISSION WITH SIGNING OF AGREEMENT BETWEEN U.S. AND
HUNGARIAN CHAMBERS OF COMMERCE.

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2. EMBASSY FAVORS INVITATION TO CSIKOS-NAGY TO VISIT

UNITED STATES (REF A) AND BELIEVES IT SHOULD BE PUT FORTH AS FOLLOW-UP OF ZARB MISSION. WE DO NOT, HOWEVER, WANT TO USE SUGGESTION AS OPENING OF IV PROGRAM. WE BELIEVE THAT BEST APPROACH WOULD BE TO HAVE AN APPROPRIATE AMERICAN COUNTERPART AGENCY SUCH AS COUNCIL OF ECONOMIC ADVISORS, OMB, OR COST OF LIVING COUNCIL EXTEND INVITATION TO HIM THROUGH EMBASSY. COMMON PROBLEM OF INFLATION AND HOW IT IS DEALT WITH IN THE TWO COUNTRIES WOULD BE ADDITIONAL ELEMENT IN APPROACH TO THAT OF FOLLOW-UP OF ZARB VISIT. IF U.S. FUNDING BECOMES NECESSARY TO ASSURE THAT CSIKOS-NAGY CAN ACCEPT THE INVITATION, WOULD LIKE OTHER OPPORTUNITIES TO BE EXPLORED, THOUGH WE BELIEVE GOH WILL PAY FOR TRIP IF IT IS WILLING TO HAVE HIM COME.

3. PROPOSING IV GRANT TO CSIKOS-NAGY WOULD POSE PROBLEM WE PREFER TO AVOID RAISING WITH GOH IN INDIVIDUAL CASE. ISSUE OF INDIVIDUAL IV GRANTS IS POLITICALLY SENSITIVE IN OUR EVOLVING CULTURAL RELATIONS, BECAUSE GOH HAS ALWAYS INSISTED THAT THEY AND NOT USG NOMINATE ANYONE FOR GRANTS OR INVITATIONS. DURING PAST YEAR WE HAVE PROGRESSED FROM QUOTE INDIRECT IV'S UNQUOTE SUCH AS IOWA WRITERS PROGRAM TO AUTHORIZATION OF MULTI-REGIONAL PROJECT PARTICIPANTS IV'S ALL OF WHOM HAVE BEEN NOMINATED BY INSTITUTE OF CULTURAL RELATIONS. WE CONCUR IN DEPT'S POINT THAT WE NEED NOT WAIT UNTIL WE HAVE CULTURAL AGREEMENT. HOWEVER, WE BELIEVE GROUNDWORK FOR THIS PROGRAM NEEDS TO BE LAID INFORMALLY BEFORE WE PROPOSE SPECIFIC INDIVIDUALS. OUR JUDGMENT IS THAT PROGRAM IS SUFFICIENTLY SENSITIVE FOR GOH THAT WE SHOULD GO AT IT SLOWLY, THOUGH WE HAVE ALREADY INFORMALLY INDICATED OUR INTEREST IN ONE. WE DO NOT WISH TO JEOPARDIZE CHANCES OF AGREEMENT BY PROPOSING AN AD HOC PROCEDURE THEY HAVE PREVIOUSLY BEEN OPPOSED TO.

4. IN ADDITION TO CSIKOS-NAGY VISIT, EMBASSY BELIEVES THAT BY SEPT WE SHOULD TAKE AT LEAST ONE OTHER STEP TO FOLLOW-UP ZARB MISSION. ALTHOUGH DEPT FELT VISIT BY DEP PRIME MIN HUSZAR WOULD NOT BE TIMELY IN VIEW OF CONTINUED ABSENCE OF MFN, WE DO NOT SEE THAT SAME CON-

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SIDERATION WOULD NEED TO DETER VISIT BY APPROPRIATE HUNGARIAN CABINET MINISTER IN ECON FIELD. PROPOSAL FOR SUCH VISIT, EVEN IF NOT NOW TAKEN UP BY GOH, WOULD HELP FORWARD MOMENTUM IN OUR BILATERAL RELATIONS WHICH ZARB MISSION STIMULATED. MOST OBVIOUS CANDIDATE FOR INVITATION WOULD BE FOREIGN TRADE MIN BIRO IN VIEW OF SECRETARY DENT'S VISIT TO HUNGARY LAST YEAR AND HIS INFORMAL INVITATION AT THAT TIME. WE RECOMMEND INVITA-

TION BE EXTENDED TO BIRO TO VISIT U.S. THIS FALL. IF BIRO UNABLE TO COME, AND HE HAS MENTIONED TO US MORE THAN ONCE THAT HE WOULD PROBABLY NOT BE ABLE TO VISIT U.S. UNTIL MFN GRANTED, WE BELIEVE INVITATION SHOULD THEN PROMPTLY BE EXTENDED TO HEAVY INDUSTRY MIN SZEKER WITH HOPE THAT VISIT COULD TAKE PLACE BEFORE END OF YEAR. SZBKER IS RELATIVELY YOUNG, SLIGHTLY COLD AND EFFICIENT TYPE WITH SOMEWHAT IDEOLOGICAL VIEWPOINT. BUT WE KNOW FROM TALK WITH AMB HE WOULD BE INTERESTED IN VISIT TO US AND HE IS RESPONSIBLE FOR SUCH KEY INDUSTRIES OF INTEREST TO US HERE AS ALUMINUM, CHEMICAL AND PHARMACEUTICAL INDUSTRIES, AS WELL AS OF ENERGY AND THE ENVIRONMENT. WE BELIEVE SUCH A VISIT WOULD HAVE A POSITIVE INFLUENCE ON HIM. IN CASE OF SZEKER SUGGEST THAT INVITATION COME FROM CLOSEST U.S. COUNTERPART -- WE WOULD ASSUME SECRETARY OF INTERIOR.

6. IN ADDITION TO THESE SUGGESTED VISITS WE BELIEVE THAT VISIT TO HUNGARY BY SECRETARY OF AGRICULTURE BUTZ THIS YEAR WOULD MAKE AN IMPORTANT CONTRIBUTION IN MAINTAINING MOMENTUM IN OUR RELATIONS. BUTZ HAS A LONG STANDING INVITATION FROM AGRICULTURE MIN DIMENY WHO HAS TOLD US ON REPEATED OCCASIONS THAT HE HOPES THE SECRETARY WOULD BE ABLE TO COME TO HUNGARY IN THE NEAR FUTURE. AS AGRICULTURE COMMODITIES AND MACHINERY ACCOUNT FOR BULK OF OUR TRADE WITH THE GOH AND WILL CONTINUE TO DO SO FOR FORESEEABLE FUTURE, VISIT BY SECRETARY BUTZ WOULD BE MOST TIMELY.

6. WE ALSO CONTINUE TO FAVOR EXTENDING INVITATION FOR GOH TO SEND A RETURN TRADE MISSION TO U.S. THIS FALL (REF B) AND WOULD HOPE SUCH SUGGESTION COULD BE INCLUDED WITH PROPOSAL FOR A MINISTERIAL VISIT.
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U.S. CHAMBER OF COMMERCE HAS EXPRESSED HOPE GOH GOVT OFFICIAL COULD ACCOMPANY HUNGARIAN CHAMBER OF COMMERCE OFFICIALS TO U.S. AT TIME OF SIGNING OF AGREEMENT BETWEEN TWO CHAMBERS. IF ALL THREE OF THESE ELEMENTS - MINISTERIAL VISIT, RETURN TRADE MISSION, AND CHAMBER SIGNATURE - COULD BE TIED TOGETHER IT WOULD MAKE MAXIMUM IMPACT. (IF DEPT PREFERRED NOT TO INVITE TRADE MISSION DIRECTLY IT IS ALSO POSSIBLE THAT U.S. CHAMBER OF COMMERCE WOULD BE WILLING TO INVITE GROUP OF HUNGARIAN EXECUTIVES TO COME WITH HUNGARIAN CHAMBER OF COMMERCE DELEGATION AND RANGE APPROPRIATE CONTACTS WITH U.S. INDUSTRY.)

7. WE WOULD ALSO LIKE TO SEE AN INVITATION EXTENDED TO HUNGARIAN SCIENTISTS SPECIALIZING IN ENERGY QUESTIONS TO

VISIT U.S. AT SOME TIME IN 1974/1975 IN VIEW OF FACT THAT
POSSIBILITY OF JOINT ENERGY RESEARCH WAS RAISED ON SEVERAL
OCCASIONS BY ZARB VISIT AND RECEIVED VERY FAVORABLE REACTION
FROM GOH. WE CONSIDER THIS TO HAVE LESS POLITICAL IMPACT,
HOWEVER, AND WOULD PREFER OTHER STEPS TO BE GIVEN PRIORITY
WITH THIS TO FOLLOW LATER IN YEAR.

8. HUNGARIAN MINISTERS INVITED MAY, OF COURSE, WANT TO
HAVE INPUT ON TIMING OF VISIT. IN OUR OPINION
FALL IS PREFERABLE SINCE ALL ARE LIKELY TO BE BUSY
WITH PREPARATIONS FOR NEXT PARTY CONGRESS IN WINTER
AND SPRING. EARLY INITIATIVE (SEPT) BY US IN OUR MINDS
IS MOST IMPORTANT THING.
PEDERSEN

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